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DVC 2ND FL#1

NO. 530

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Legal Recovery Department  
Premium Accounting  
Service Center  
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December 1, 1999

Eugene A. Giotto  
Dickie, McCamey & Chilcote  
Two PPG Place, Suite 400  
Pittsburgh, Pa. 15222

Re: Latrobe Construction  
Your File No. 172689-98

Dear Mr. Giotto:

I am responding to your letter, dated November 24, 1999. Attached is the statement you requested showing a breakdown of policies, terms and outstanding amounts.

Royal and SunAlliance had been doing business together so long that I could not establish an exact date. The best I can tell is that our relationship with Latrobe started around 1960 and continued until 1995.

I had no problems with the insured paying their premiums until the retrospective rating adjustment valued at February 1995. In fact, I had contacted Mr. Ferrari in November 1994 and made arrangements for him to make payments on the adjustment valued at February 1994. The amount due at the time was \$316,469.00. Mr. Ferrari paid it in ten installments.

When the adjustment valued at February 1995 was sent to me in October 1995, I contacted Mr. Ferrari again. He referred me to Robert Dell, who I believe was his risk manager. He informed me that he had a firm that specializes in reviewing these adjustments, reviewing this matter. Later, I was told to contact that firm directly. When I did, I found out it was the law firm of Pietragallo, Bosick and Gordon.

- Alliance Assurance Company of America
- American and Foreign Insurance Company
- Clevelin Insurance Company
- The London Assurance of America Inc.
- Marine Indemnity Insurance Company of America
- Phoenix Assurance Company of New York
- Royal Indemnity Company

- Royal Insurance Company of America
- Royal Lloyd's of Texas
- Royal Special Risk Insurance Company
- Royal Surplus Lines Insurance Company
- Safeguard Insurance Company
- The Sea Insurance Company of America
- Sun Insurance Office of America Inc.

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My first contact with Mr. Gordon, of the aforementioned law firm, was on November 13, 1995. He requested a review of the files to determine why the additional premium was so high. Since then Mr. Gordon has disputed the outstanding premiums.

I hope that this is the information you are looking for to complete the complaint. If you have any questions or need anything further, please let me know.

Sincerely,



David M. Hooper

DMH/jet

cc: Paul Gibson  
Paul Brocklebank  
John Mallary